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**CASA – NEW ORLEANS**  
**FINANCIAL STATEMENTS**  
**AND**  
**AUDITOR'S REPORT**  
**DECEMBER 31, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/16/08

**CASA – NEW ORLEANS**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
CASA - New Orleans

I have audited the accompanying statement of financial position of CASA - New Orleans (a non-profit corporation), as of December 31, 2007, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the corporation's 2006 financial statements and, in my report dated April 26, 2007, I expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA - New Orleans as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated February 29, 2008, on my consideration of CASA - New Orleans's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the basic financial statements of CASA - New Orleans taken as a whole. The accompanying supplemental information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements of CASA - New Orleans. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Justin J. Scanlan, CPA*

New Orleans, Louisiana  
February 29, 2008

MEMBER

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants

**CASA - New Orleans**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2007**

<b>ASSETS</b>		<b>TOTAL MEMORANDUM ONLY <u>December 31, 2006</u></b>
Cash	\$ 34,391	\$ 28,744
Grant receivables (Note B)	67,647	33,581
Property and equipment-at cost (Notes A5 and C)	<u>-</u>	<u>-</u>
Total assets	<u>\$ 102,038</u>	<u>\$ 62,325</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued liabilities	\$ 1,946	\$ 14,243
Annual leave payable	<u>10,164</u>	<u>7,645</u>
Total liabilities	<u>12,110</u>	<u>21,888</u>
Commitment (Note E)	-	-
Net assets		
Unrestricted	64,928	40,437
Temporary restricted (Note F)	<u>25,000</u>	<u>-</u>
Total net assets	<u>89,928</u>	<u>40,437</u>
Total liabilities and net assets	<u>\$ 102,038</u>	<u>\$ 62,325</u>

The accompanying notes are an integral part of this financial statement.

**CASA - New Orleans**

**STATEMENT OF ACTIVITIES**

**For the year ended December 31, 2007**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>TOTAL MEMORANDUM ONLY For the year ended December 31, 2006</u>
<b>REVENUE</b>				
United Way - Designations and grants	\$ 13,916	\$ 40,000	\$ 53,916	\$ 47,051
Grant appropriations -Government (Note D)	-	337,522	337,522	240,758
Contributions	53,631	-	53,631	22,043
Special event, net of direct expenses of \$8,298	13,387	-	13,387	10,367
Other	2,664	-	2,664	3,590
Net assets released from restrictions	352,522	< 352,522>	-	-
In-kind contribution (Note A7)	9,000	-	9,000	9,000
Total revenues	<u>445,120</u>	<u>25,000</u>	<u>470,120</u>	<u>332,809</u>
<b>EXPENSES</b>				
Program services				
Special advocate	335,369	-	335,369	251,302
Supporting services				
Management and general	71,575	-	71,575	69,324
Fund raising	<u>13,685</u>	<u>-</u>	<u>13,685</u>	<u>12,197</u>
	<u>85,260</u>	<u>-</u>	<u>85,260</u>	<u>81,521</u>
Total expenses	<u>420,629</u>	<u>-</u>	<u>420,629</u>	<u>332,823</u>
Increase <decrease> in net assets	24,491	25,000	49,491	< 14>
Net assets, beginning of year	<u>40,437</u>	<u>-</u>	<u>40,437</u>	<u>40,451</u>
Net assets, end of year	<u>\$ 64,928</u>	<u>\$ 25,000</u>	<u>\$ 89,928</u>	<u>\$ 40,437</u>

The accompanying notes are an integral part of this financial statement.

CASA - New Orleans

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2007

	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL MEMORANDUM ONLY
	SPECIAL ADVOCATE	MANAGEMENT AND GENERAL	FUND RAISING	For the year ended December 31, 2006
Compensation expense	\$ 212,654	\$ 56,780	\$ 11,551	\$ 187,425
Occupancy	37,009	3,112	-	29,643
Travel	6,031	462	-	11,630
Board generated self support	-	-	774	-
Other expenses	<u>79,675</u>	<u>11,221</u>	<u>1,360</u>	<u>104,125</u>
Total expenses	<u>\$ 335,369</u>	<u>\$ 71,575</u>	<u>\$ 13,685</u>	<u>\$ 420,629</u>

The accompanying notes are an integral part of this financial statement.

CASA - New Orleans

STATEMENT OF CASH FLOWS

For the year ended December 31, 2007

Increase <decrease> in cash and cash equivalents

Cash flows from operating activities:

Increase in net assets \$ 49,491

Adjustments to reconcile increase in net assets to net cash  
provided by operating activities:

Changes in assets and liabilities:

Increase in grants receivable \$ < 34,066>

Decrease in accounts payable and accrued  
liabilities < 12,297>

Increase in annual leave payable 2,519 < 43,844>

Net cash provided by operating activities 5,647

Net increase in cash and cash equivalents 5,647

Cash and cash equivalents, beginning of year 28,744

Cash and cash equivalents, end of year \$ 34,391

The accompanying notes are an integral part of this financial statement.

**CASA - New Orleans**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**1. Organization**

CASA - New Orleans is a non-profit corporation organized under the laws of the State of Louisiana. It trains volunteers to become Court Appointed Special Advocates for abused and neglected children in the juvenile justice system.

**2. Financial Statement Presentation**

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations". Accordingly, the net assets of the corporation are reported in each of the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There were no permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

**3. Revenue Recognition**

Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions".

Grant revenue is recognized as it is earned in accordance with approved contracts.

**4. Receivables**

The corporation considers accounts receivable to be fully collectible since the balance consists primarily of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.



CASA - New Orleans

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. **Depreciation and Amortization**

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Leasehold improvements are amortized over the lives of the respective leases or the service lives of the improvements, whichever is shorter. The straight-line method of depreciation is followed for substantially all assets for financial reporting purposes. There was no depreciation expense for the year ended December 31, 2007.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

6. **Functional Allocation of Expenses**

The expenses of providing the program and other activities have been summarized on a functional basis in the statement of functional expenses. Certain of those expenses have been allocated among the program and supporting services benefited based on estimates by management of the costs involved.

7. **In-Kind Support**

CASA - New Orleans receives rent-free use of office space from the Orleans Parish Juvenile Court (\$9,000). The estimated values of the contributed rents are recognized as revenue and expense in the statement of activities.

8. **Cash equivalents**

For purposes of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

9. **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates

CASA - New Orleans

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

10. Fair Values of Financial Instruments

Cash and cash equivalents carrying amounts reported in the Statement of Financial Position approximate fair values because of the short maturities of those investments.

11. Memorandum Only - Total Columns

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B - GRANT RECEIVABLES

Grant receivables at December 31, 2007 consist of the following:

Louisiana Commission on Law Enforcement and Administration of Criminal Justice	\$ 24,742
Supreme Court of Louisiana	17,905
State of Louisiana	<u>25,000</u>
	<u>\$ 67,647</u>

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2007 consists of the following:

	<u>Cost</u>
Furnishings and equipment	\$ 18,669
Office renovations	<u>2,271</u>
	20,940
Less accumulated depreciation and amortization	<u>&lt; 20,940 &gt;</u>
	<u>\$ -</u>

**CASA - New Orleans**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 30, 2007**

**NOTE D – SUMMARY OF FUNDING**

CASA – New Orleans’ funding for grants consist of the following.

<u>Grants</u>	<u>Periods</u>	<u>Grant Award</u>	<u>Revenue Recognized</u>
<b><u>Governmental</u></b>			
Louisiana Commission on Law Enforcement and Administration of Criminal Justice CASA Program	3/1/06-2/28/07 3/1/07-2/28/07	\$ 64,000 76,160	\$ 18,645 52,187
State of Louisiana – Supreme Court	7/1/07-6/30/08 7/1/06-6/30/07	258,537 240,333	96,244 130,446
State of Louisiana – Act 18	7/1/07-6/30/08	25,000	25,000
National Court Appointed Special Advocate Association Special Project	1/1/07-6/30/07	15,000	<u>15,000</u>
Total governmental grants			<u>\$ 337,522</u>

**NOTE E - COMMITMENT**

The corporation leases its administrative and program offices under an operating lease expiring February, 2008. Rent expense for the year ended December 31, 2007 totaled \$35,153. The following is a schedule of minimum rental payments due under its operating lease.

Year ending December 31,

2008 \$ 4,290

The corporation also has offices in the Orleans Parish Juvenile Court (see Note A7).

**NOTE F – TEMPORARILY RESTRICTED NET ASSETS**

The temporarily restricted net assets consist of the following at December 31, 2007:

State of Louisiana – Act 18 \$ 25,000

**CASA - New Orleans**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2007**

**NOTE G – ADVERTISING COSTS**

CASA – New Orleans paid \$34,297 in advertising costs for the advertisement of its CASA program in order to fulfill its various grant contract requirements for the year ended December 31, 2007. The costs are expensed as incurred.

**NOTE H - INCOME TAXES**

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

**NOTE I - BOARD OF DIRECTORS COMPENSATION**

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member for the year ended December 31, 2007.

**NOTE J – ECONOMIC DEPENDENCY**

CASA – New Orleans received the majority of its revenue from funds provided through grants administered by the State of Louisiana. The grant amounts are appropriated each year by the federal and state government. If significant budget cuts are made at the federal and/or state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next fiscal year.

The corporation's support through federal grants totaled 72% for the year ended December 31, 2007.

## **SUPPLEMENTAL INFORMATION**

CASA - New Orleans

STATEMENT OF ACTIVITIES – LOUISIANA  
SUPREME COURT TANF PROGRAM

December 31, 2007

	For the period January 1, 2007 through <u>June 30, 2007</u>	For the period July 1, 2007 through <u>December 31, 2007</u>	<u>Total</u>
<b>REVENUE</b>			
Grant appropriations			
Total revenue	\$ 130,446	\$ 96,244	\$ 226,690
<b>EXPENSES</b>			
Salaries	68,627	60,240	128,867
Fringe benefits	12,687	11,026	23,713
Professional services	3,803	780	4,583
Operating expenses	35,935	16,949	52,884
Travel	2,491	1,182	3,673
Training	3,732	3,646	7,378
Supplies	1,959	2,177	4,136
Printing/copying	<u>1,294</u>	<u>244</u>	<u>1,538</u>
Total expenses	<u>130,528</u>	<u>96,244</u>	<u>226,772</u>
Increase <decrease> in net assets	<u>\$ &lt; 82&gt;</u>	<u>\$ -</u>	<u>\$ &lt; 82&gt;</u>

# Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
CASA – New Orleans

I have audited the financial statements of CASA – New Orleans as of and for the year ended December 31, 2007, and have issued my report thereon dated February 29, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered CASA – New Orleans's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CASA – New Orleans's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the CASA – New Orleans's internal control over financial reporting.

*A control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

*A material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control financial reporting that I consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether CASA-New Orleans's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance, or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use management, Board of Directors, the Louisiana Legislative Auditor, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

New Orleans, Louisiana  
February 29, 2008

*Justin J. Scanlon, CPA*



**CASA-NEW ORLEANS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the year ended December 31, 2007**

**A. FINDINGS – FINANCIAL STATEMENTS AUDIT**

There were no financial statement findings for the year ended December 31, 2007.

**B. QUESTIONED COSTS**

There were no questioned costs for the year ended December 31, 2007.

**C. STATUS OF PRIOR YEAR AUDIT FINDINGS**

The status of the prior year audit findings are as follows:

<u>Reportable Conditions</u>	<u>Resolved</u>	<u>Unresolved</u>
2006-1. Segregation of Duties	X	